

State Employer Paid Benefit Costs

FY 2010 and Rate History

FIXED BENEFITS - per eligible employee:

	FY 2008		FY 2009*		FY 2010 (estimated)*	
	<u>Annual Cost</u>	<u>Monthly</u>	<u>Annual Cost</u>	<u>Monthly</u>	<u>Annual Cost</u>	<u>Monthly</u>
Health Insurance (medical, dental)	\$ 7,900.86	\$ 658.41	\$ 8,421.72	\$ 701.81	\$ 9,269.16	\$ 772.43
Retiree Subsidy	\$ 329.91	\$ 27.49	\$ 156.96	\$ 13.08	\$ 234.72	\$ 19.56
Disability	\$ 71.76	\$ 5.98	\$ 83.52	\$ 6.96	\$ 91.32	\$ 7.61
Flexible Spending Account	\$ 1.80	\$ 0.15	\$ 1.80	\$ 0.15	\$ 1.80	\$ 0.15
State Administration	\$ 41.16	\$ 3.43	\$ 36.00	\$ 3.00	\$ 36.00	\$ 3.00
TOTAL FIXED BENEFITS	\$8,345.49	\$695.46	\$8,700.00	\$725.00	\$9,633.00	\$802.75

*Governor's Benefit Change Recommending for FY 2009 and FY 2010

The State's Group Insurance Fund currently has an amount that fulfills its contractual and actuarial obligations. The contractual obligation is \$27 million, and the additional amount is roughly \$30 million above the contractual amount for a total of \$57 million in reserve. The actuary report for the Group Insurance Fund states that \$57 million in reserve places the fund in the 95th percentile protection over a three-year period. Governor Otter has recommended that the Department of Administration utilize \$20 million of those reserves in FY 2009 and FY 2010 to offset the state's portion of insurance funding. This reduction leaves the Group Insurance Fund in the 90th percentile protection over a three-year period. The Department of Administration requires \$8,600 in FY 2010 per eligible employee to implement this plan. If the reserves are spent down to the 85th percentile protection, it frees up an additional \$4 million to help with budget shortfalls over the next 18 months. By the end of FY 2010, the reserve balance will be \$37 million. Should economic conditions improve, the Department of Administration will request that reserve balances be restored to the 95th percentile protection in actuary reserve amounts.

VARIABLE BENEFITS - % of Gross Salary:

FICA - Social Security	6.20% (to \$108,600)
FICA - Medicare	1.45%
Unemployment Insurance (Idaho Code §72-1301)	0.18%
Life Insurance	0.09%
Retirement - regular rate (Idaho Code §59-1301)	10.39%
Other Rates: police officers and fire members	10.01%
Unused Sick Leave (Idaho Code §67-5339)	0.65%
(benefit = 1/2 sick leave balance, up to 600 hours, multiplied by the hourly rate at retirement to purchase health insurance)	
Div. of Human Resources (Idaho Code §67-5314)	0.615%
Only agencies with classified employees pay the Div. of Human Resources rate	
Average Workers Compensation Rate (Idaho Code §41-1601)	1.08%
Workers Compensation rates vary by agency	
TOTAL VARIABLE BENEFITS	20.65% x salary

Other benefits:

(1) Paid Holidays = 10 days (§67-5302(13) and §59-1607(1), Idaho Code)

(2) Sick Leave = 96 hours per 2080 hours or about 12 days per year. (§67-5333 and §59-1605, Idaho Code)

(3) Vacation time based on credited state service. About 12 days/year for first 5 years, 15 days/year for next 5 years, 18 days/year for next 5 years, and 21 days/year thereafter. (§67-5334 and §59-1606, Idaho Code)

(4) As part of the Gain Sharing program (whereby excess investment gains from the PERSI defined benefit fund are distributed to employees, employers, and retirees), the Choice Plan was also established as an optional defined contribution 401(k) plan open to all members who are eligible. The Choice Plan is in addition to, and separate from, the mandatory defined benefit retirement plan. (§59-1308, Idaho Code) NO EMPLOYER CONTRIBUTION.

(5) 457 deferred compensation plan offered through the Public Employee Benefit Services Corporation (PEBSO). NO EMPLOYER CONTRIBUTION.

State Employee Paid Benefit Costs

Fiscal Year 2009

MONTHLY EMPLOYEE PREMIUM RATES:

Provider	Employee Only	Employee + spouse	Employee + child	Employee and 2+ children	Employee + spouse + child	Employee + spouse & children
Blue Cross PPO*	\$28	\$73	\$49	\$67	\$91	\$103
Delta Dental	\$7.75	\$36.25	\$30.50	\$46.50	\$51.75	\$59.75
Total	\$35.75	\$109.25	\$79.50	\$113.50	\$143	\$162.75

*Blue Cross traditional plan costs slightly more than PPO; over 70% of enrollees are in the PPO.

Fiscal Year 2008

Blue Cross PPO	\$23	\$61	\$41	\$56	\$76	\$86
Delta Dental	\$4.50	\$26.75	\$22.25	\$34.75	\$39.00	\$45.25
Total	\$27.50	\$87.75	\$63.25	\$90.75	\$115.00	\$131.25

% increase FY 08-09	30.00%	24.50%	25.69%	25.07%	24.13%	24.00%
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VARIABLE BENEFITS - % of Gross Salary:

FICA - Social Security 6.20% (to \$108,600)

FICA - Medicare 1.45%

Life Insurance optional

Retirement - regular rate (Idaho Code §59-1301) 6.23%

Other Rates: police officers and fire members 7.65%

TOTAL 13.88% x salary

Example: Employee Paid Benefits

(Employee, Spouse and Children Plan with vision and dental)

	<i>low end</i>	<i>middle</i>	<i>high end</i>
<i>Hourly rate</i>	\$7.80	\$16.65	\$32.18
<i>Annual Salary (hourly rate x 2080 hours)</i>	\$16,224	\$34,632	\$66,934
<i>Fixed Benefits (Health Insurance)</i>	(\$1,953)	(\$1,953)	(\$1,953)
<i>Variable Benefits (13.88% x Salary)</i>	(\$2,252)	(\$4,807)	(\$9,290)
<i>Total</i>	<i>\$12,019</i>	<i>\$27,872</i>	<i>\$55,691</i>
<i>Ratio of Employee Paid Benefits to Salary</i>	26%	20%	17%

SELECTED INFORMATION ON IDAHO GROUP MEDICAL/DENTAL/IBHP PLAN

- > FY 2009 estimated cost per employee per year:
 - \$8,700 (state contribution only including payments from reserves)
 - \$1,953 (employee contribution for employee and family coverage)
 - \$1,311 (employee contribution for employee and spouse)
 - \$429 (employee contribution for employee coverage only)
- > FY 2009: 19,544 active employees and 25,581 dependants enrolled in Medical Plan
- > FY 2009: Cost of the active Employee Plan is projected to be \$154.9 million (employer's share)